

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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The "Stalin" and "Aleksandŭr Stamboliyski" Reservoirs

1. Bulgaria has constructed two reservoirs. These reservoirs are so important that in two and one-half years they will be paid off. Instead of building them one by one, Bulgaria tried to do them all at once and for that reason they are still unfinished.
2. The "Stalin" reservoir is situated on the Iskŭr river between Sofia and Samakov where the mountain is vast and steep. The damage was always very great.¹ Now there will be no more damage. Since the rock was solid, the engineers were able to construct a cement dike, not too thick, and because the rock is impermeable there is no danger of collapse. The reservoir contains 700,000 cubic meters. Four hundred thousand will be used each year for electric power, which will double the amount that is presently produced in the Sofia valley and which will irrigate the entire Sofia plain.
3. Such was not the case, however, with the reservoir at Rositsa, known as the Aleksandŭr Stamboliyski reservoir. This project was poorly conceived. The rock foundations on which the wall of the dam was to rest were not granite like those of the "Stalin" reservoir, but were made of limestone. Limestone is permeable and the danger of collapse for a thin dam is very great. Once the work had already begun, the Soviets said they were opposed to the construction. Finally, a solution was reached by building a very thick stone wall. In order to accomplish this it was necessary to construct a railroad spur line to bring the stone to the dam. Subsequently, holes were dug in the rock and cement was injected. This was a very costly process. At the present time there is no longer any danger; the dam will hold. While in the past construction work of this type was undertaken without sufficient study, at present the projects are reviewed many times until it is proven that they are perfect. Despite these difficulties, the government is inclined not to punish mistakes. However, there are severe penalties (prison) when, once a mistake has been discovered, it is not reported.

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Soviet Attitude on Dobrudzha Oil

4. Bulgaria has discovered important oil deposits under the sea in the Dobrudzha area. When the Bulgarian Government wanted to exploit these deposits, the Soviets told the Bulgarians that there were two ways of doing this, which were:
 - a. To found a Bulgarian-Soviet firm with the profits shared according to the capital invested; or
 - b. The Soviets would provide the necessary machinery on the condition that it be paid for within 15 years.
5. The Soviets informed the Bulgarians that this undertaking was of no interest to the Soviets and said that they (the Soviets) had never refused to supply Bulgaria with oil.
6. From the Bulgarian point of view, this oil is very important, but considered as part of the overall Soviet/Satellite production it amounts to very little.

Government Loans

7. When Bulgaria floats a government loan inside the country at four percent, and to be paid off in twenty years, the people subscribe. The government keeps a close watch on the volume of money because it does not want too much or too little to be in the people's hands, otherwise the balance between money in circulation and merchandise produced would be upset. 25X1
8. The government is in contact with all the loan centers and once the required sum has been met, plus seven percent, the loan is stopped. At present, the loans are without interest and are on the installment plan. 25X1

Bulgarian Industry Very Inferior to Chinese Industry

9. Chinese industry would overtake that of the Soviets within a very short period and that Bulgarian industry is nothing in comparison. 25X1

Comment:

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1. Damage in this case possibly refers to flood damage.

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